

MEETING OF MUNICIPAL EXECUTIVES. — (Continued).

we want to help the situation so far as the Municipal standing of the Province of Quebec is concerned we have to do it right away. We have to adjust the old issues. The new regulations only attack the new issues.

There are many millions of bonds outstanding at the present moment which do not come under the new regulation, and, therefore, if we wait we shall all be dead and buried before the Municipal affairs of the Province of Quebec are straightened out. Practically this is the case.

You cannot overlook the fact that when a bond house is offering Municipal bonds for sale it is asked, "How is the Sinking Fund for the outstanding issues being taken care of?" Our aim is, therefore, to remedy this handicap as soon as possible and get the Municipalities to straighten out the old issues immediately then when they go to the market they can say that their old issues are being properly taken care of."

Mr. Morin: "Although the new regulations do not apply to the past the role of the department is also to see that the Sinking Funds of the old issues are disposed of according to the old law, and everybody will agree that if the Municipalities had live up to the old law there would probably be no new law to-day. The Sinking Fund for the old issues will be arranged according to the old law, and then even I feel the Province of Quebec will be on its feet before our death."

Mr. Tofield: "If the Government will allow a Trust Company the privilege of administering the old Sinking Funds and force the Municipalities to live up to their old obligations I have no doubt that Mr. Morin's predictions will be absolutely fulfilled. Without some such action, however it is quite impossible. Unless this outside supervision is exercised the condition of Municipal affairs will soon get back into the old rut."

We have ourselves prepared a model agreement together with all the necessary by-laws which have to be adopted by the Council. This agreement appoints the Mayor and Trust Company as Joint Trustees for the Sinking Fund. The Council chooses its own bank and the money is deposited in the name of the Joint Trustees so that the Municipality cannot withdraw its funds neither can the Trust Company without the joint signatures. The securities are kept in the trust company's vaults subject to inspection by anyone duly appointed by the Council on any working day. Every by-law is separate securities being kept separate and separate statements rendered to the Municipality at the closing of their books and audited by both the Town Auditor and our own.

Should the annual payment of Sinking Funds on the date specified be neglected under the system we suggest the Treasurer is notified in a registered letter allowing a delay of thirty days. Should it not be paid at the expiration of that time the Trust Company, as co-trustee would then notify the Minister of Municipal Affairs, in Quebec, and should the delay continue we are obliged in our contract to advertise the fact by seven consecutive insertions in a daily paper in the Town in question or in the City of Montreal as the case may require. We feel that this public announcement will prevent Municipalities from defaulting in the future, besides keeping the Government fully informed of any delinquencies.

With regard to investments we have restricted our scope to even a greater extent than the law governing Trust funds allows.

Our first endeavor is naturally to secure bonds of the Municipality, as we feel that this is the safest and best investment that can be made in the interests of the Municipality, and it creates a better market for the bonds enhancing the value of the securities still outstanding and rendering new issues more readily saleable.

We do not take the bonds of other Municipalities. We have eliminated them entirely, so there is no possibility of any loss with regard to the Sinking Fund. In case the Municipal Act.

Carried.

It was also resolved that while the Canadian Municipal Journal is widely read in the Province of Quebec, yet as the majority of the population speak and understand French, it would be in the interests of the municipalities of the Province if the Journal were published in both languages, or at least a supplement in French be added, and that the Management of the Journal be asked to give this matter their serious consideration.—Carried.

Sinking Fund has been neglected and no provision has been made for same our remedy is as follows:

For example take a bond with a 1 per cent. Sinking Fund for thirty years, and for ten years no Sinking Fund has been maintained, we feel that it would be a hardship, and in most cases an impossibility, to ask the Municipality to make good the deficit immediately. We, therefore, calculate the amount of arrears and adjust future payments by increasing them for the remaining years so that at maturity we have the same amount accumulated as if they had started ten years previous.

In this way we obviate the necessity of a special tax, and in such cases we require the Municipality to state in the agreement the amount of the deficit. The deficit is, therefore, spread over a period of twenty years, making it easier for the Municipality to adjust.

Of course, for such services specific changes are made but these are infinitesimal compared with the saving afforded by expert co-operation. It is to my mind very advantageous to the Municipality to protect its interests in this way and when it goes to the Government to obtain authorization for new loans, if the old issues are being properly maintained the Government will know that the municipality is acting in the right spirit, and I am satisfied will allow it to continue its transactions along the same lines, even in new sinking funds.

Committee to Draft Constitution for Provincial Union.

Following the satisfaction expressed by all at the success of themselves, and the wish that another might be called, it was decided to appoint a Committee which should organize a Provincial Association, and draft a constitution for it, to be submitted at the next meeting. The following were named as the Committee: Mayor Bouchard, Mayor Beaubien, Mayor Thurber, Ald. Ryan, Mr. Frederick Wright, and Mr. Angers.

The following resolutions were also submitted to the meeting:—

Proposed by Ald. Prieur, Pointe-aux-Trembles; Seconded by Ald. Gatiou, Lachine.

RESOLVED:—That this meeting of municipal representatives of the Province respectfully call the attention of the Government to the low rate of interest, fixed at 3½ per cent., allowed for sinking funds, and ask that this rate be increased to a rate approximating the market rate, less the expenses incurred by the Department.

Carried.

Proposed by Ald. Prieur, Pointe-aux-Trembles; Seconded by Mayor Lapointe, Ville de Lery.

RESOLVED:—That this meeting humbly suggests that the Certificate to be affixed in virtue of Article 16, of the law shall include the second paragraph of the said Article.

Carried.

Proposed by Ald. Gatiou, Lachine; Seconded by Mayor Beaubien, Outremont.

Whereas, by Chap. 60, George V., there must be at least one quarter of the number of proprietors of taxable immovable property in the municipality who are municipal electors voting, before any By-Law authorizing an issue of Municipal Securities can be adopted, this meeting is strongly of the opinion that it will be difficult for several municipalities in the Province to obtain the necessary attendance of elector proprietors, and this Convention therefore respectfully submits that an amendment should be proposed at the next session of the Legislature to reduce the quota of elector proprietors required by the Act.

Carried.

Proposed by Secretary-Treasurer Roy, Pointe-aux-Trembles; Seconded by Mayor Beaubien, Outremont.

RESOLVED:—That this Convention is of the opinion that the permission to be granted by the Lieut.-Governor-in-Council, by Article 5956a, should be allowed only after a very careful investigation of each individual case, as the meeting considers that the clause in question affords adequate protection for Municipal credit, and that in the case of the purchase price of land in all cases the delay should be extended to the maximum.

Carried.

Proposed by Mr. Frederick Wright; Seconded by Ald. Prieur, Pointe-aux-Trembles.

RESOLVED:—That a very hearty vote of thanks be tendered by this meeting to the Hon. Walter Mitchell, Minister of Municipal Affairs, for having arranged for the presence here of the Deputy Minister, Mr. Oscar Morin, K.C., and that a similar vote be tendered to Mr. Morin for his very patient and satisfactory explanation of the